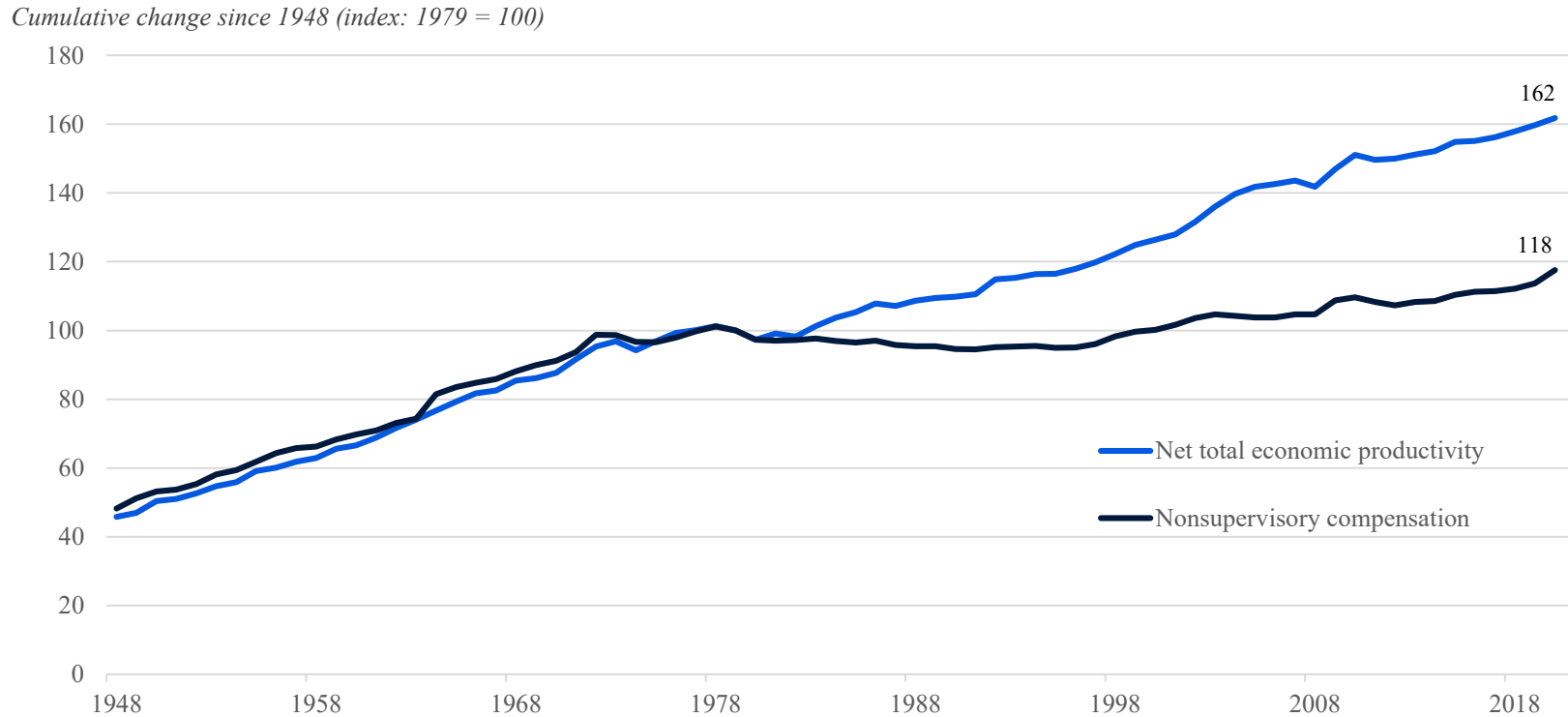


THE
BIDEN
ECONOMIC
BLUEPRINT

I
EMPOWERING
WORKERS

I. President Biden inherited an unequal economy where the largest gains for decades went to the very top

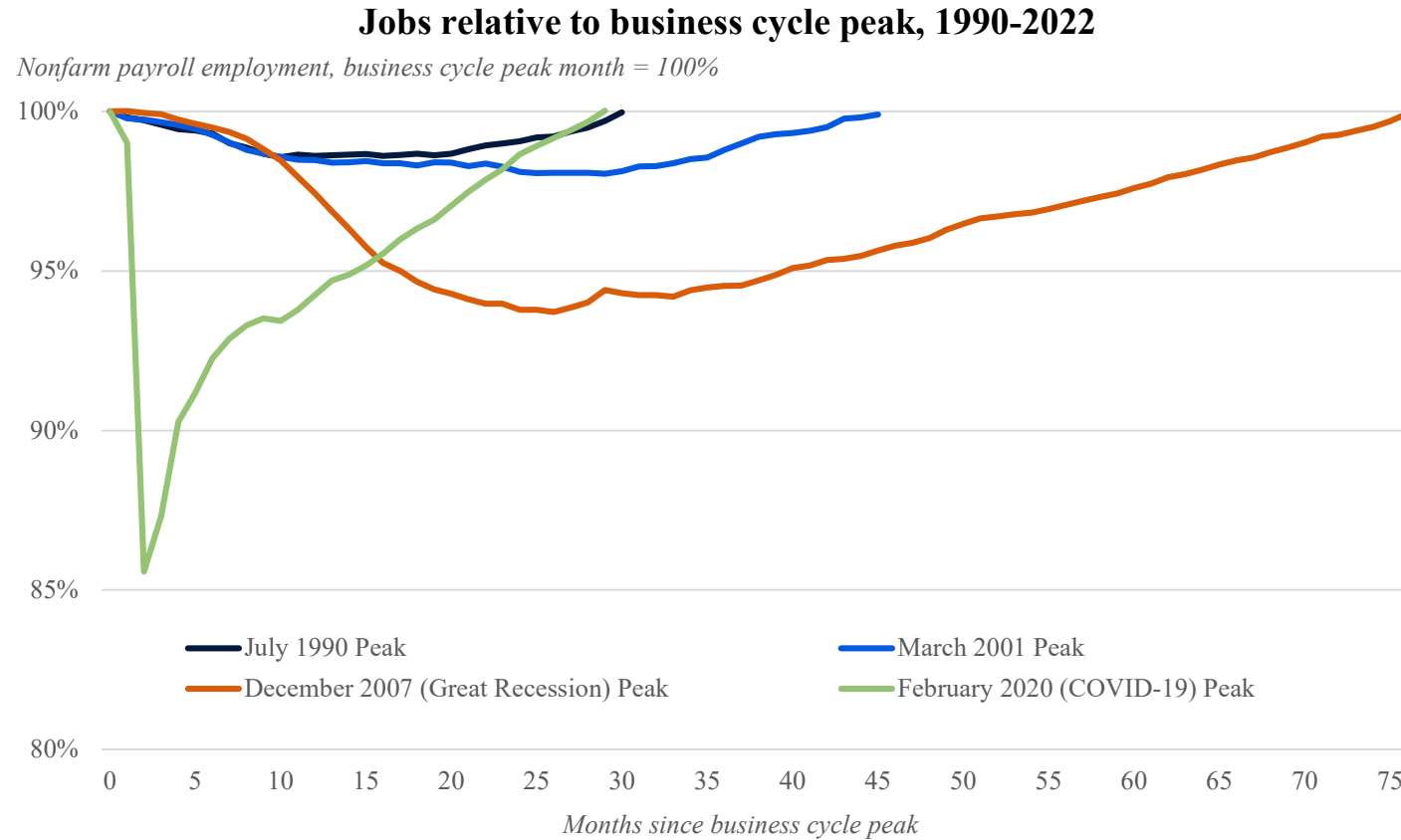
Productivity and worker compensation growth, adjusted for inflation, 1948-2020



Source: Economic Policy Institute, analysis of data from the Bureau of Labor Statistics and the Bureau of Economic Analysis

For the last four decades, workers' productivity grew nearly 62 percent, but the average worker's pay and benefits increased by less than a third of that—just 18 percent. President Biden's goal is to rebuild our economy from the bottom up and the middle out—an economy that is innovative, resilient, fair, and leverages the strength and talents of *all* people.

I. After a much deeper recession, the economy recovered lost jobs faster than in any recent recovery



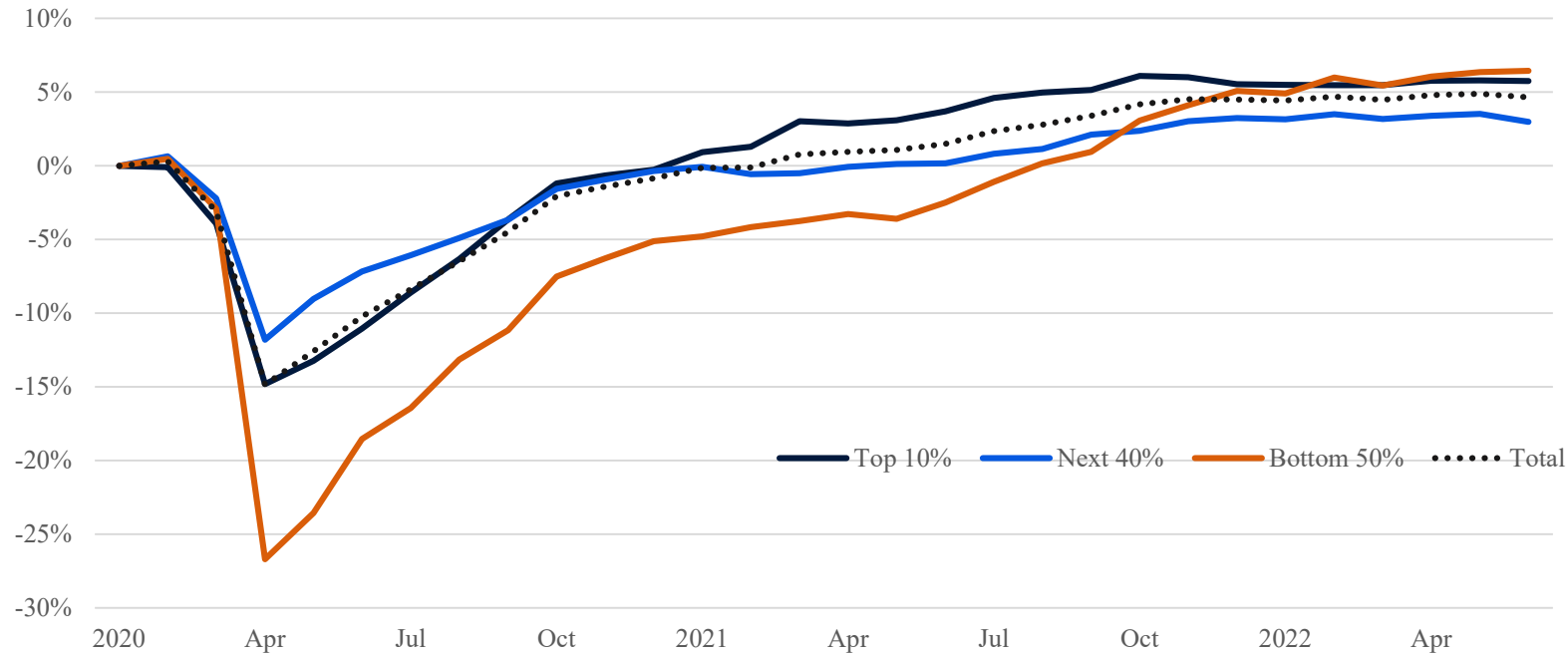
Source: BLS, CEA calculations

Thanks in significant part to the American Rescue Plan and the Administration's actions to contain COVID-19, the economy regained all of the jobs (non-farm payroll) lost during the pandemic in July 2022—faster than any recovery in 40 years and much faster than experts such as the Congressional Budget Office projected before the American Rescue Plan.

I. President Biden's policies have contributed to a broad-based recovery, where incomes recovered fastest for moderate-income households

Total real market income growth by income group

Percent change in inflation-adjusted income per adult since January 2020



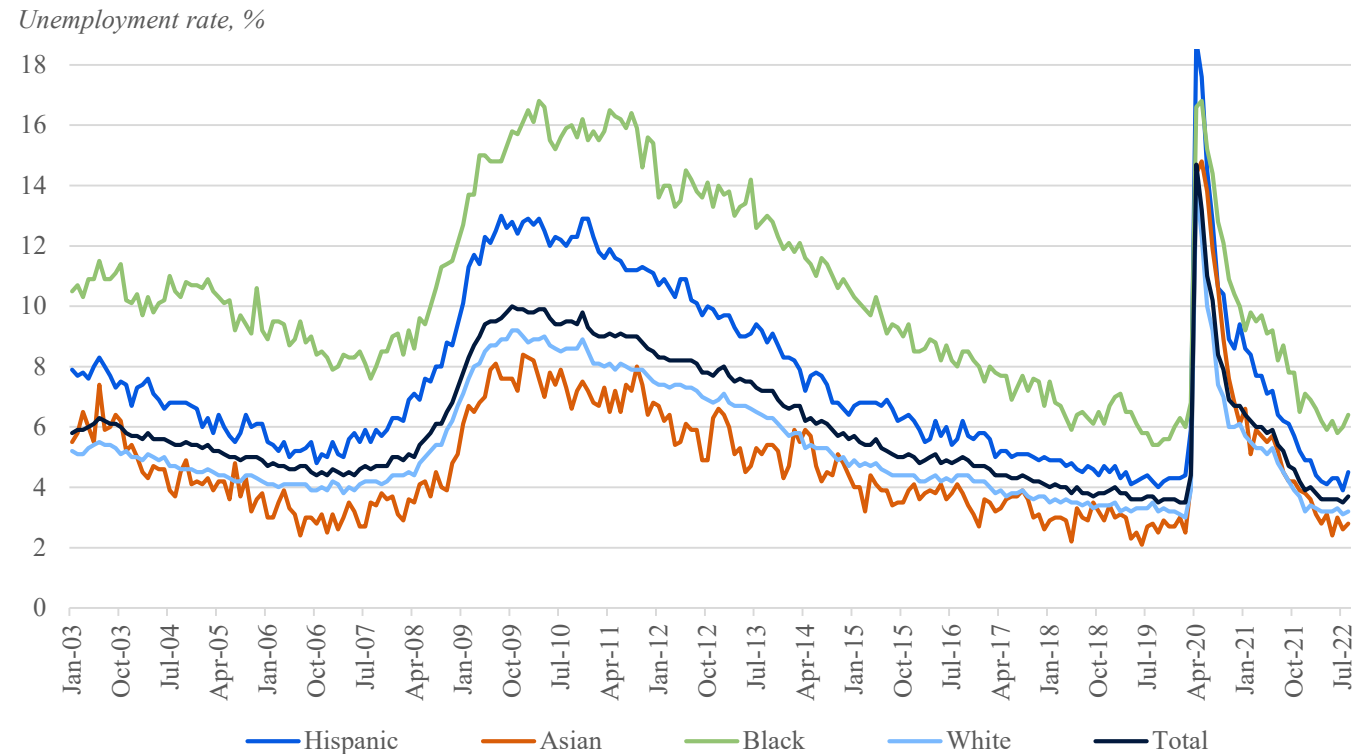
Source: Blanchet, Saez, and Zucman (2022) via realtimeinequality.org

Note: Market income in this figure refers to what Blanchet, Saez, and Zucman call "factor income" in their data/research

President Biden's bottom up recovery is working. The past 18 months have seen a remarkable shift, relative to prior recoveries, in who benefitted as the economy grew and the job market recovered. At the onset of the pandemic, total market incomes fell the most for the bottom half of income earners. But since then, incomes for the bottom half have recovered more quickly than the top even as total market income for all groups has recovered to pre-pandemic levels.

I. Unemployment rates have fallen sharply overall and across racial and ethnic groups

Unemployment rates by race and ethnicity, 2003 – present



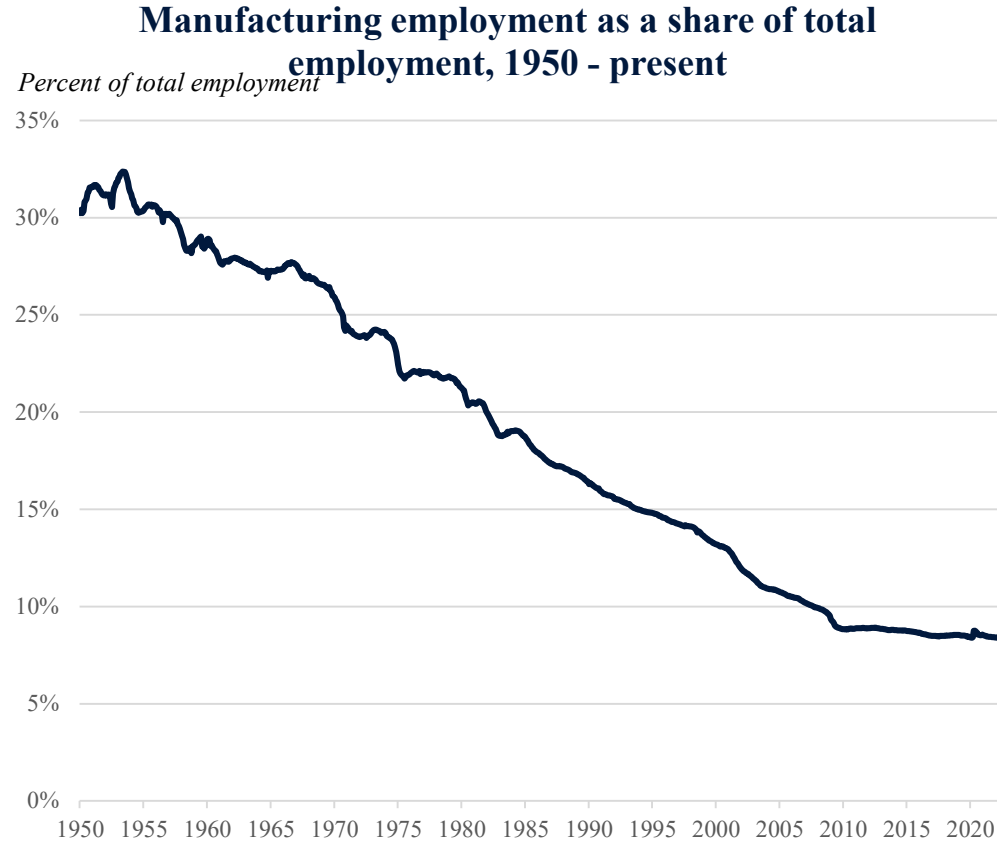
Source: Bureau of Labor Statistics

Note: Data represent unemployment rates for workers ages 16 and over; all data are seasonally adjusted

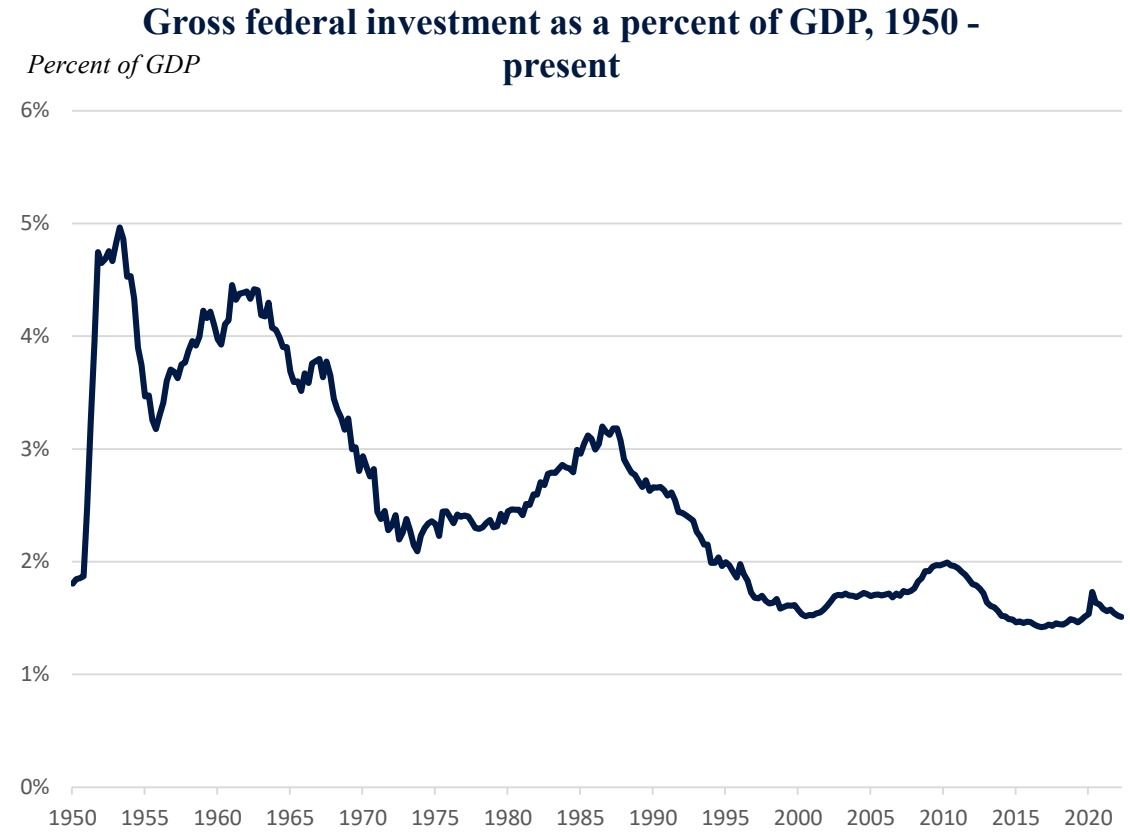
The overall unemployment rate has fallen to near 50-year lows at 3.7 percent, and this decline was shared across racial and ethnic groups more than in previous recoveries. As of August 2022, the unemployment rates for Black Americans, Hispanic Americans, and Asian Americans had nearly matched their pre-pandemic levels. President Biden's goal is to transition to stable steady growth without giving up the labor market gains of the last 18 months.

II
MAKING IT AND
BUILDING IT IN AMERICA

II. President Biden inherited a hollowed out manufacturing sector and decades of falling federal investment



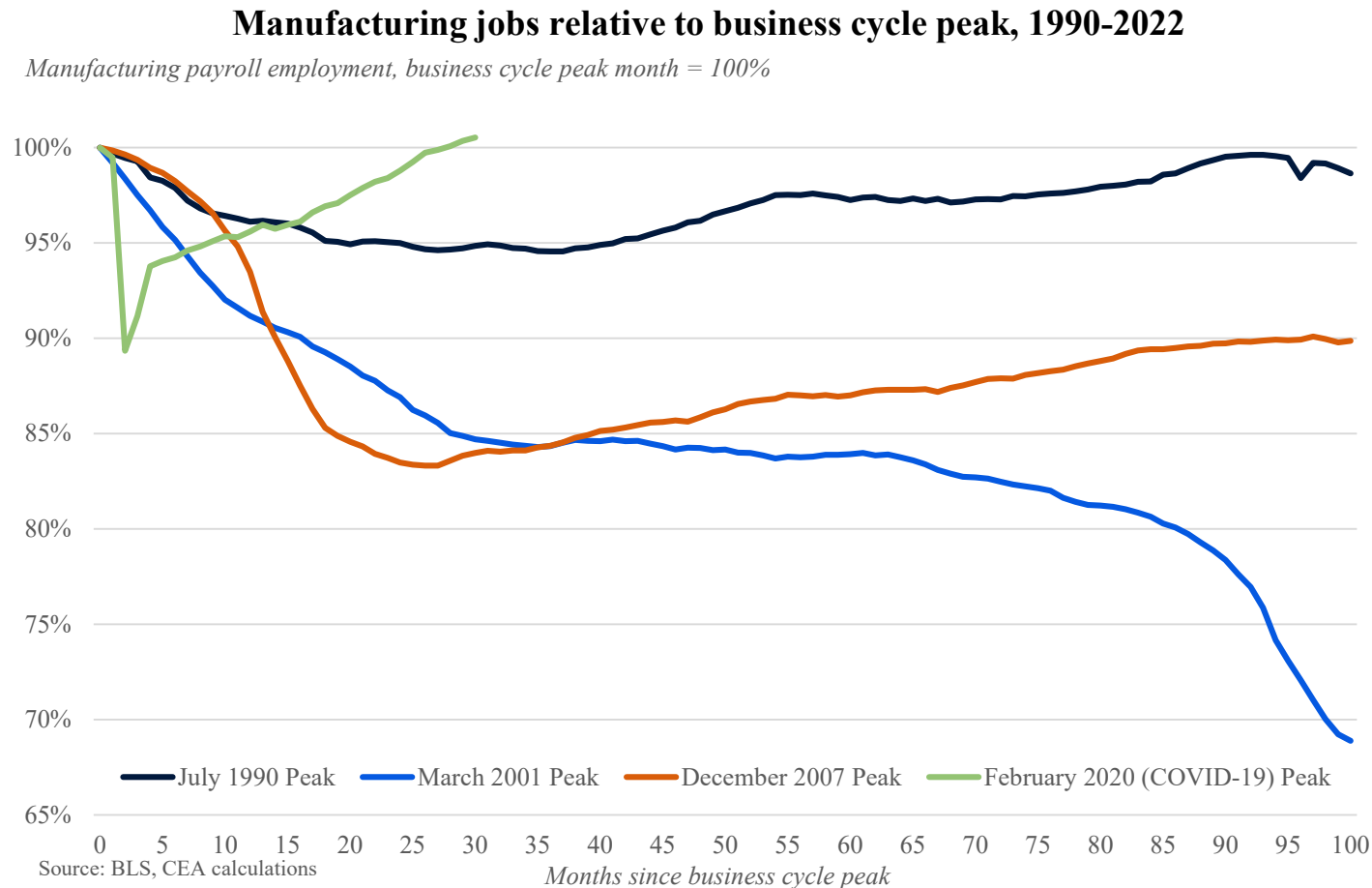
Source: Bureau of Labor Statistics, via FRED



Source: Bureau of Economic Analysis via FRED

Before President Biden took office, the quality of U.S. infrastructure worsened following decades of underinvestment, domestic manufacturing declined for three decades, and other countries took the lead in clean energy production and manufacturing

II. President Biden's economic policies have contributed to an exceptionally strong manufacturing recovery



The Biden-Harris economy has delivered massive gains for American manufacturing. Manufacturing employment has grown by 668,000 jobs since January 2021—and as of August 2022 is now 67,000 above the pre-pandemic level—a milestone we reached faster than in any recovery since 1953. More manufacturing jobs were created in 2021 than in any single year in nearly 30 years.

II. Climate legislation puts the President's emissions reduction targets within reach through major clean energy investments

Over **1 gigaton** reduction in greenhouse gas emissions in 2030

Over **\$1,000** average annual savings for families that take advantage of the clean energy and electric vehicle tax credits

7.5 million more families expected to install solar panels on their roofs with a 30 percent tax credit

Up to **100,000** asthma attacks avoided annually by 2030 from lower particle pollution

The Inflation Reduction Act (IRA) is the most aggressive action to combat the climate crisis in U.S. history. The Department of Energy and independent experts project that the IRA, together with the Bipartisan Infrastructure Law, will reduce emissions by over one gigaton in 2030. This contributes to lowering our net economy wide greenhouse gas emissions 40 percent compared to 2005 levels by 2030 – putting President Biden's climate goals within reach while catalyzing the transition to a clean energy economy.

II. With President Biden's leadership, Congress passed incentives for U.S. semiconductor production that are already crowding in investment

\$52.7 billion

federal investment in American semiconductor research, development, manufacturing and workforce development

\$40 billion

investment in memory chip manufacturing from Micron that will create up to 40,000 jobs over the next decade

\$20 billion

investment by Intel in a new leading edge semiconductor manufacturing campus in Ohio, that will create 7,000 construction jobs and 3,000 permanent jobs

\$15 billion

investment from SK for semiconductor research and development, materials, and advanced packaging and testing

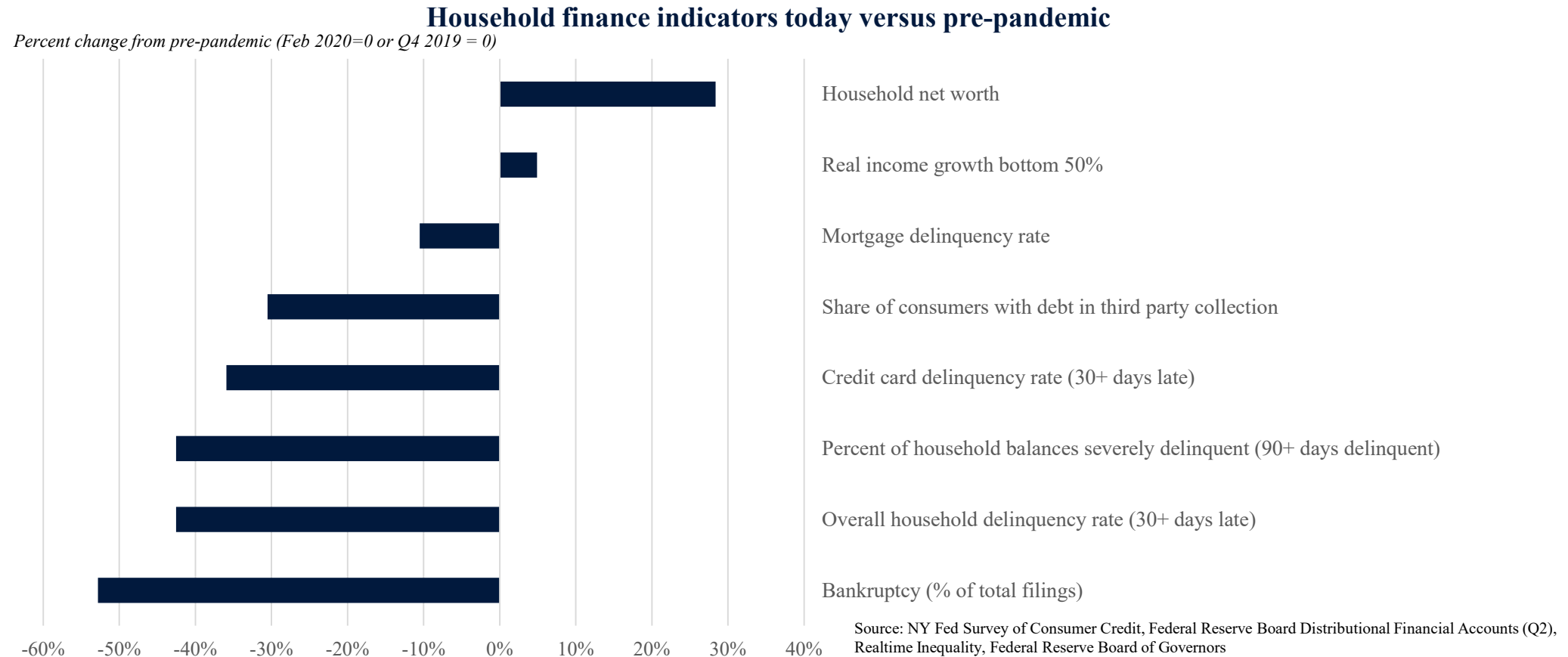
\$4.2 billion

Qualcomm and GlobalFoundries partnership to manufacture chips and plans to increase semiconductor production in the U.S. by up to 50 percent over the next 5 years

Pandemic related supply chain disruptions revealed vulnerabilities in U.S. semiconductor production that drove around one-third of core inflation in 2021. In July 2022, Congress answered President Biden's call and passed the bipartisan CHIPS and Science Act, which provides \$52.7 billion in funding for semiconductor research and development, manufacturing, and workforce development.

III
GIVING MIDDLE CLASS
FAMILIES BREATHING
ROOM

III. Household balance sheets stronger than pre-pandemic



Thanks in significant part to President Biden’s economic strategy, household finances are stronger than pre-pandemic, putting families in a better position to navigate the economic challenges flowing from disruptions to the global economy. Credit card delinquencies, mortgage delinquencies, and bankruptcies are all near multi-decade lows.

III. President Biden is tackling prescription drug costs, which have long been far higher in the U.S. than other countries

\$2,000

Annual out of pocket cap on prescription drug costs for Medicare beneficiaries

1.4 million

Medicare beneficiaries will benefit annually from the \$2,000 annual out of pocket cap

\$35

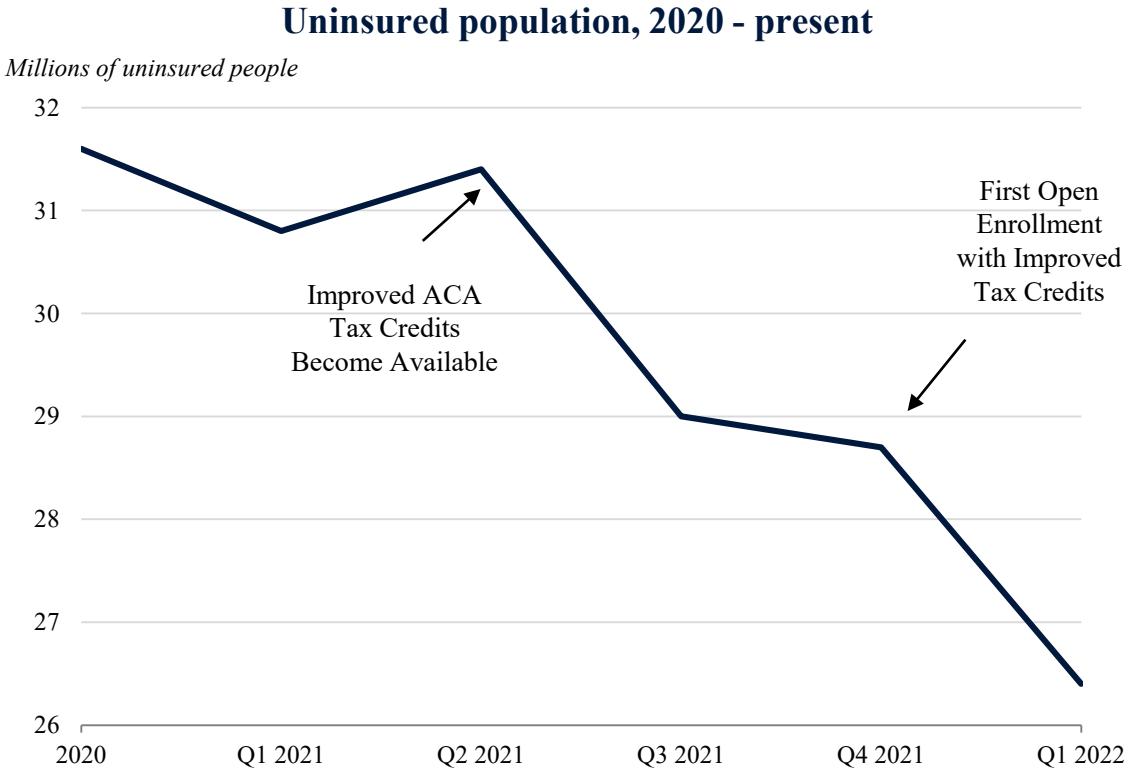
Cap for a month's supply of insulin for Medicare beneficiaries

5-7 million

Medicare beneficiaries use the types of high-cost drugs for which Medicare will now be allowed to negotiate lower prices

For decades, Americans have paid two to three times what people in other countries pay for prescription drugs. Now, President Biden is taking on Big Pharma to lower these costs. The Inflation Reduction Act allows Medicare to negotiate prescription drug prices, requires drug manufacturers to pay Medicare rebates if they increase prices faster than inflation, and caps total prescription drug costs as well as monthly insulin costs for Medicare beneficiaries, saving millions of Americans hundreds—sometimes thousands—of dollars per year.

III. President Biden's policies have helped drive the uninsured rate to the lowest level in history



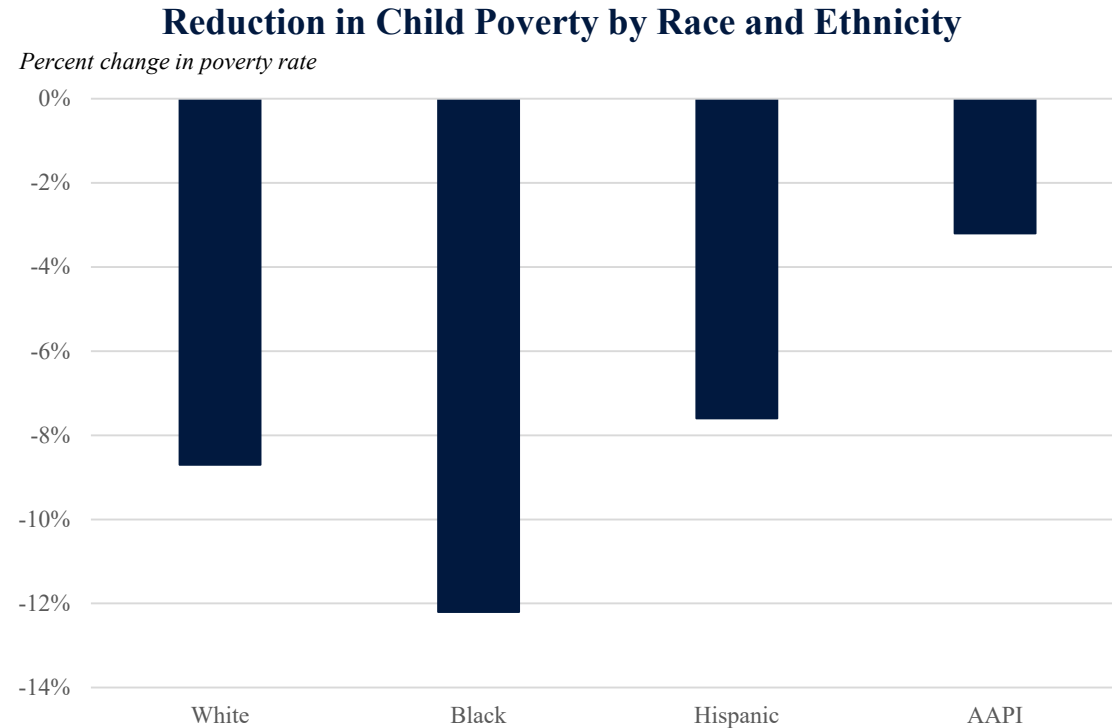
Notes and Sources: National Health Interview Survey

Over 5 million fewer people are uninsured than when the President took office, and the uninsured rate fell to an all-time low of 8.0 percent in the first quarter of 2022, in significant part due to the ACA tax credit improvements enacted in the American Rescue Plan and continued by the Inflation Reduction Act. Some 13 million Americans are saving an average of about \$800 annually on their health insurance premiums due to these improvements, helping millions of people get and stay covered. Health insurance improves access to care, reduces medical debt, and saves lives, and coverage gains are helping to narrow health disparities.

III. By modernizing SNAP benefits, the Biden Administration lifted nearly one million children out of poverty



915,000
children
lifted out
of poverty



Source: The Urban Institute

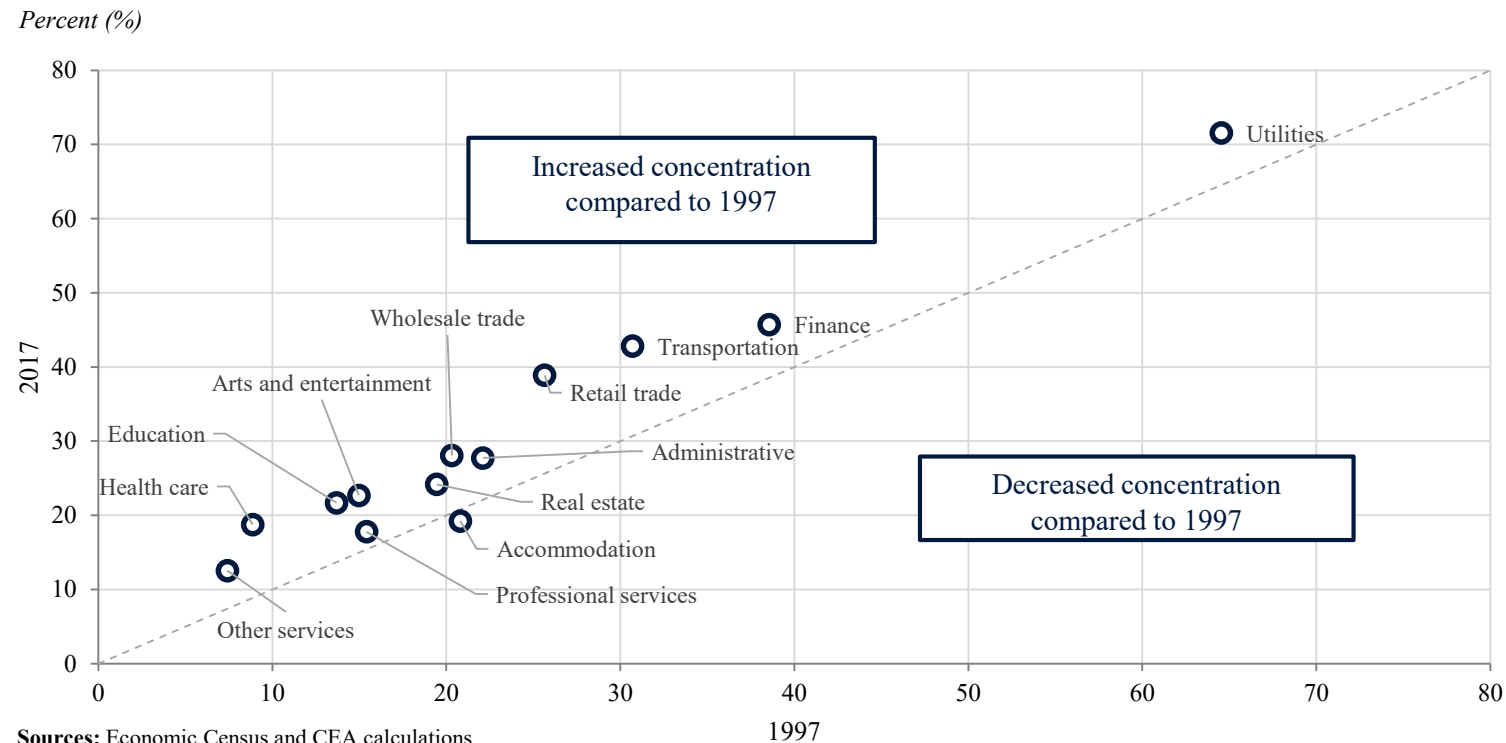
For the first time since its introduction in 1975, the Administration modernized the Thrifty Food Plan – an estimate of the cost of groceries needed to provide a healthy, budget-conscious diet for a family of 4 – which forms the basis for determining SNAP benefits. This action lifted 915,000 children out of poverty, with a disproportionate impact on Black children.

IV

MAKING AMERICAN
INDUSTRY COMPETITIVE,
LESS CONCENTRATED,
AND MORE RESILIENT

IV. President Biden inherited an economy in which many important markets had become more concentrated and less competitive

Share of sector revenue held by the 50 largest firms, 1997 and 2017



Sources: Economic Census and CEA calculations

Notes: For five sectors (professional services, health care, arts and entertainment, educational services, and other services) in 1997 the share is calculated using the weighted average of taxable and tax-exempt firms, weighted by the share of total sector revenue. Four sectors are missing data in 1997 (manufacturing, mining, construction, and information) and are therefore omitted.

The U.S. economy has become increasingly concentrated as the top firms capture greater shares of key industries. Economic research has documented how greater concentration has been associated with a greater share of economic gains going towards profits over wages.

IV. President Biden's economic agenda contributed to lower ocean shipping costs by 50 percent

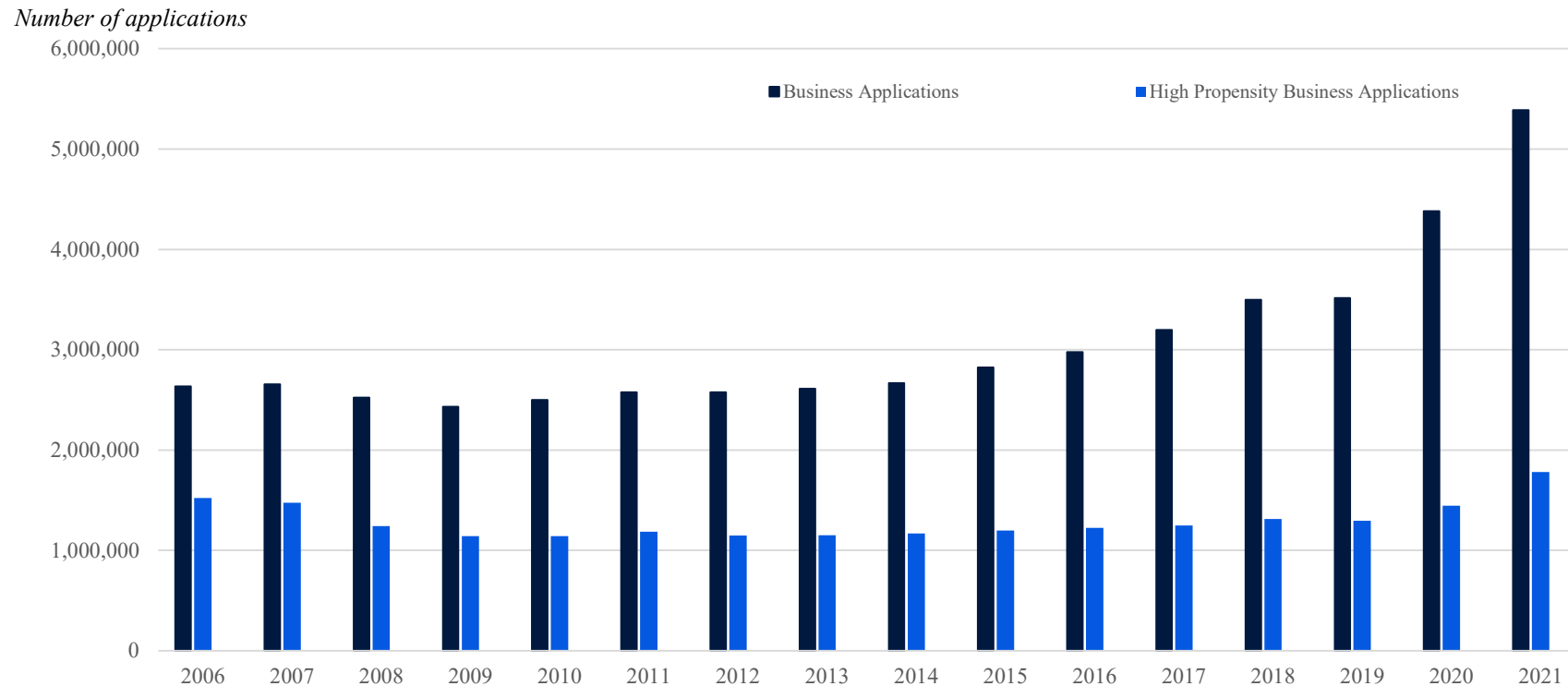


Source: Bloomberg, Freightos

With President Biden's leadership, Congress passed the Ocean Shipping Reform Act to crack down on price hikes in the concentrated ocean shipping industry. The Act contributed to lowering ocean shipping costs along the east-west corridor by around 50 percent to near their January 2021 levels.

IV. President Biden's policies have contributed to the strongest small business creation on record

New small business and high propensity business applications



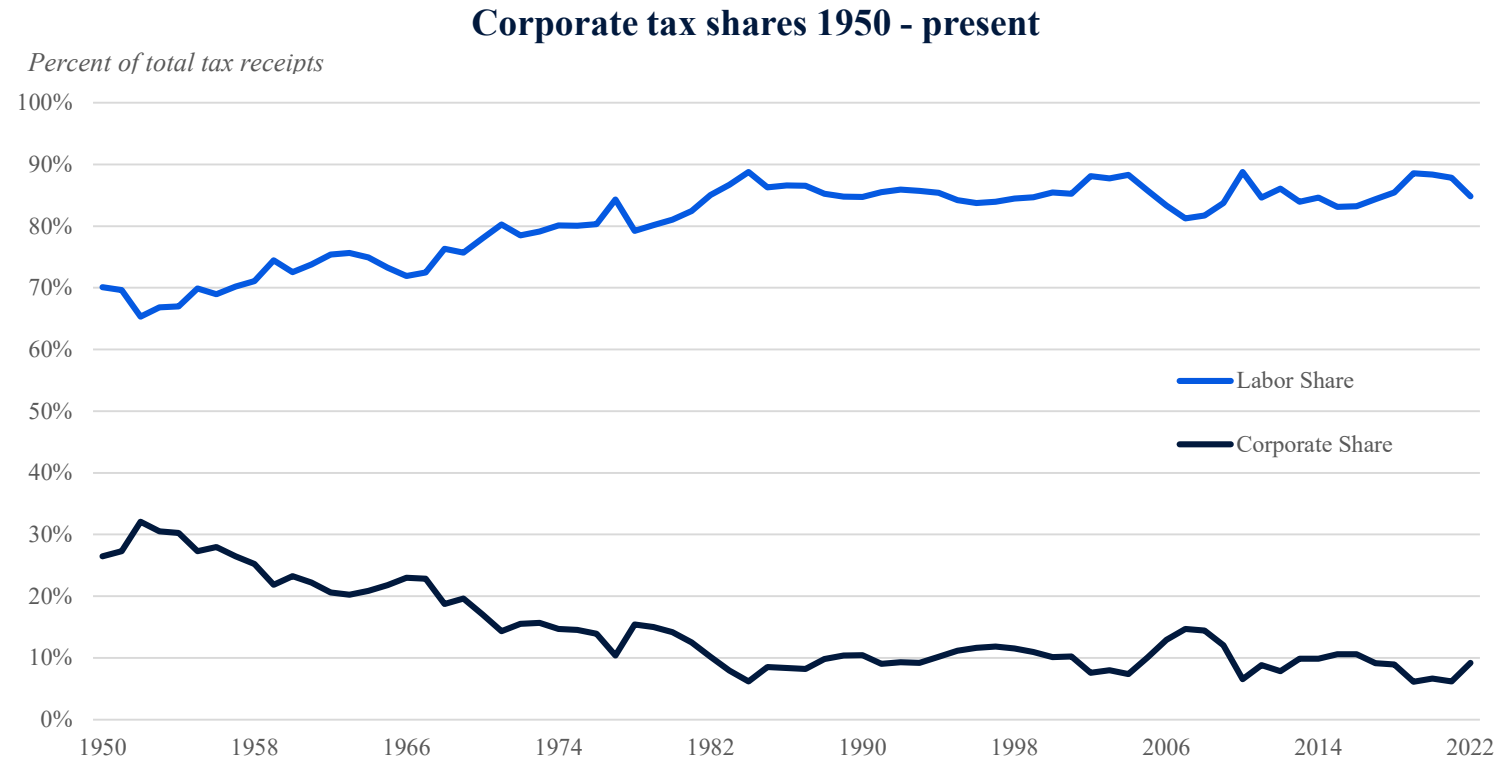
Source: Census via FRED

Note: High propensity business applications are those that have a higher likelihood of becoming businesses with employees and payroll capabilities which include businesses that define themselves as a payroll entity or indicate a plan to higher employees.

President Biden's efforts to reform the Paycheck Protection Program and implement the American Rescue Plan contributed to a surge in entrepreneurship. A record 5.4 million Americans applied to start businesses in 2021, and Hispanic entrepreneurs started new businesses at the fastest rate in more than a decade and 23 percent faster than pre-pandemic levels.

V
REWARDING WORK,
NOT WEALTH

V. President Biden inherited a tax code that rewarded wealth, not work

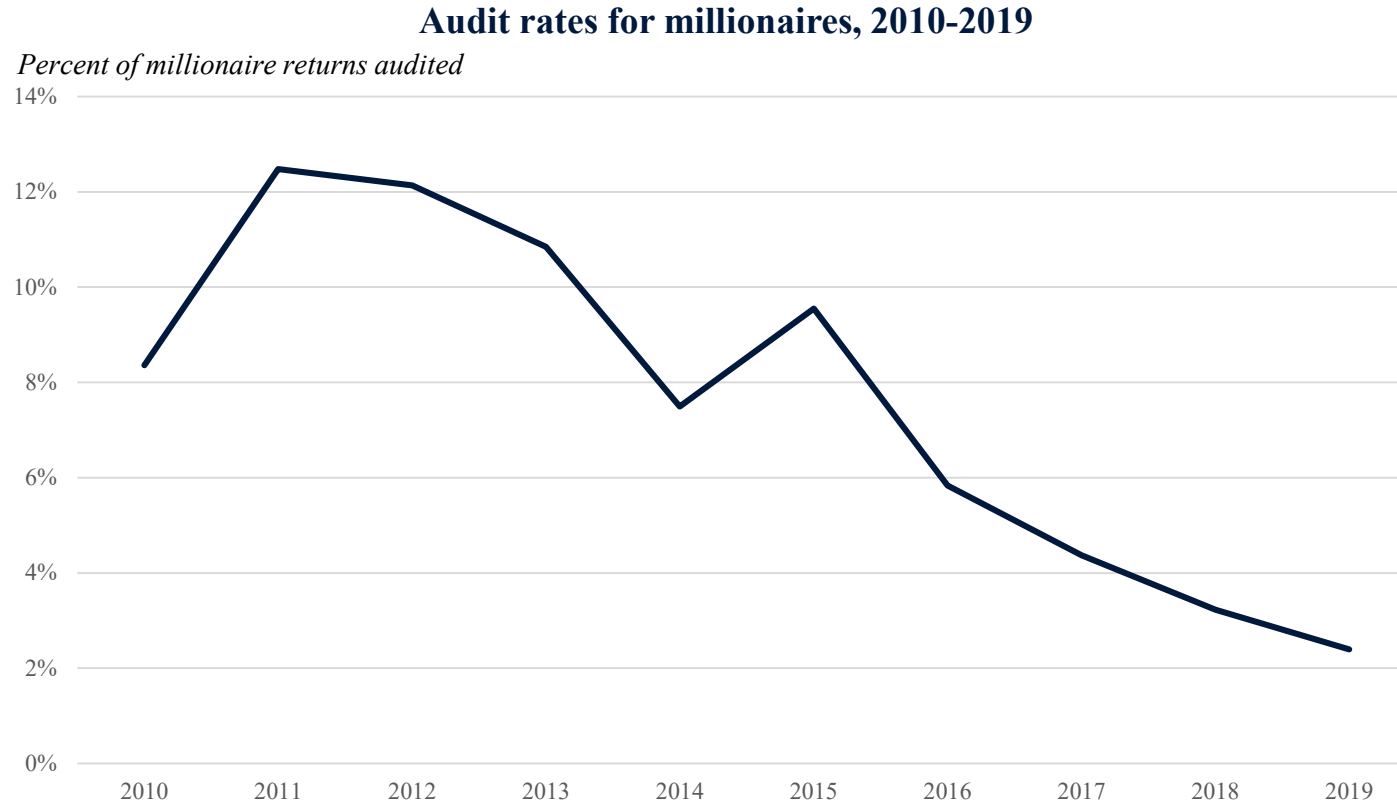


Source: Office of Management and Budget Historical Tables

Note: Labor is defined as the sum of individual income, social insurance, and retirement receipts. FY 2022 is an estimate.

Over the years, our tax code has become inefficient and unfair. Critically, it also fails to raise sufficient revenue from the largest corporations and wealthiest Americans to fund much-needed investments. The wealthiest Americans and largest corporations benefit from a range of loopholes that allow them to lower their tax obligations.

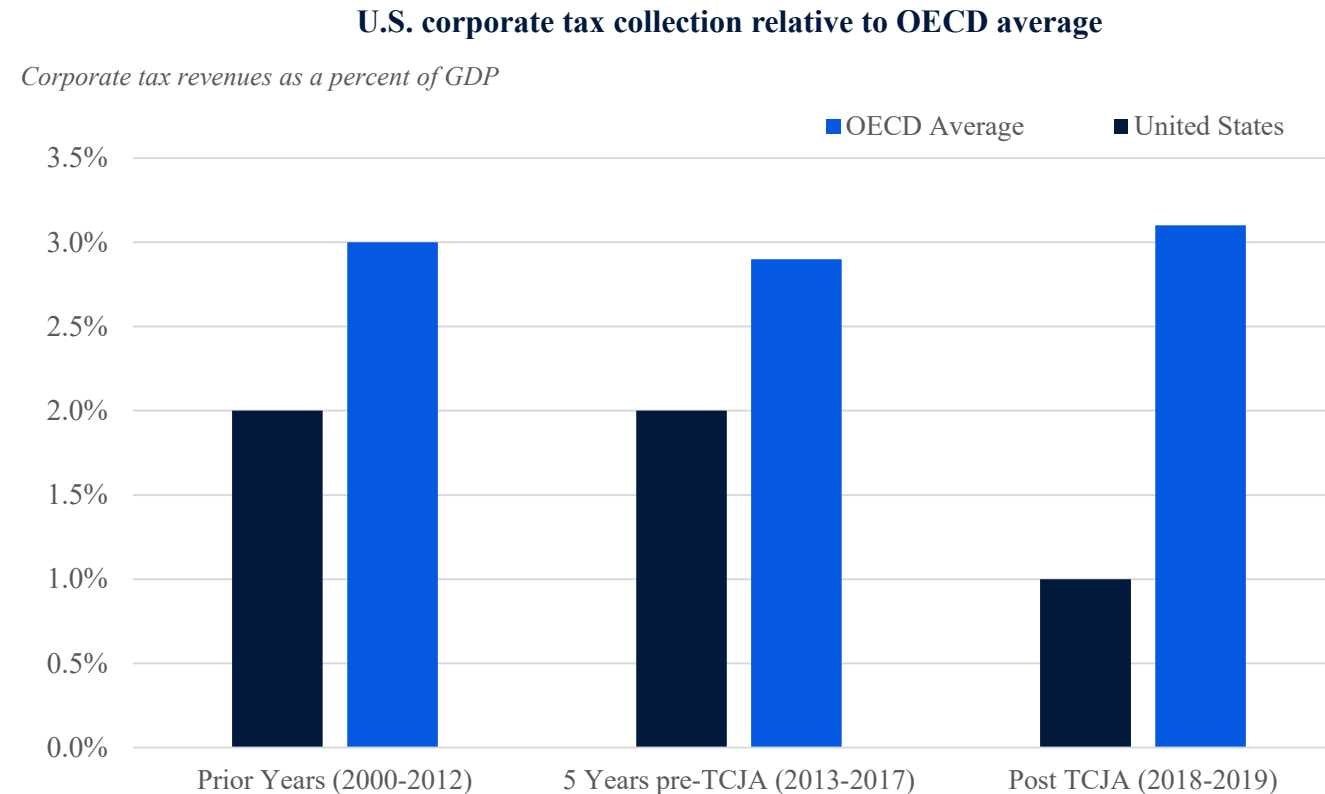
V. The Inflation Reduction Act is improving customer service at the IRS and increasing enforcement on millionaires and large corporations



Source: Center on Budget and Policy Priorities, IRS Databooks Table 9A (2000-2018), Table 17b (2019)

While the number of millionaires filing taxes increased 49 percent, audit rates for millionaires fell 71 percent to 2.4 percent in 2019. The Inflation Reduction Act includes an \$80 billion multi-year infusion in the tax administration system to make sure rich people and large corporations pay the taxes they owe and improve IRS services for middle-class taxpayers. The Treasury Secretary has directed that this investment will not increase audit rates for those making less than \$400,000 a year.

V. President Biden's tax plan closes loopholes and ensures that the largest, most profitable companies pay their taxes



Source: Congressional Budget Office, OECD

Corporate tax revenue as a share of the economy has declined for decades. In 2020, 55 of our largest, profitable corporations paid \$0 in federal income tax. To stop this unfairness, President Biden's Inflation Reduction Act imposed a 15 percent minimum tax on the corporate profits that large corporations—those with over \$1 billion in profits—report to shareholders.